GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:243
ANSWERED ON:01.03.2002
CLOSURE OF BANK BRANCHES
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Will the Minister of FINANCE be pleased to state:

(a) whether branches of several public sector banks in the country have been closed down;

(b) if so, the reasons therefor; and

(c) the number of branches of various banks that have been closed along with the number of employees of those branches who have been adjusted elsewhere during the last three years, bank-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) and (c): Reserve Bank of India do not permit banks to close down their loss making branches at rural centers having a single commercial bank branch. However, banks can close down their loss making rural branches at centers served by two commercial bank branches and the decision for closure of one of the branches may be taken by the concerned banks by mutual consultation. At semi-urban , urban and metropolitan centers, banks can close their branches without prior approval of Reserve Bank of India (RBI). Bank should however ensure that the locality/ward is not rendered unbanked due to the closure. Three nationalized banks identified as weak have been advised to rationalize their branch network under their annual reconstruction plan. The other public sector banks have rationalized their existing branches through closure/merger. Bank-wise number of branches of public sector banks so closed/merged/converted during 1st January 1999 to 31st December 2001 is given in the Annexure.

ANNEXURE

BANK-WISE NUMBER OF BRANCHES OF PUBLIC SECTOR BANKS CLOSED/MERGED/CONVERTED DURING 1ST JANUARY 1999 TO 31ST DECEMBER 2001

Bank Name	No. of Branches Closed/Merged/Converted During the Year			
	1999	2000	2001	Total
Allahabad Bank	1	-	-	1
Andhra Bank	1	-	-	1
Bank of India	-	3	3	6
Bank of Maharashtra	-	1	-	1
Canara Bank	1	3	1	5
Central Bank of India	-	-	5	5
Dena Bank	1	-	13	14
Indian Bank	3	32	37	72
Indian Overseas Bank	-	-	5	5
Punjab National Bank	2	-	32	34
State Bank of Bikaner & Jaipur	1	1	1	3
State Bank of India	9	-	6	15
Syndicate Bank	-	1	2	3
UCO Bank	17	18	9	44
Union Bank of India	3	3	57	63
United Bank of India	2	12	10	24
Vijaya Bank	-	1	9	10
PUBLIC SECTOR BANKS				

Total	41	75	190	306